



ARTHUR ANDERSEN

THE AUDUBON INSTITUTE, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2000
TOGETHER WITH AUDITORS' REPORT**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-20-01

THE AUDUBON INSTITUTE, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2000

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
SECTION I - BASIC FINANCIAL STATEMENTS	
Report of Independent Public Accountants	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
SECTION II - OMB CIRCULAR A-133 SUPPLEMENTAL REPORTS AND SCHEDULES	
Independent Auditors' Reports on:	
- Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	10
- Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	11
Schedule of Federal Expenditures of Federal Awards:	
- Schedule of Expenditures and Federal Awards	13
- Notes to the Schedule of Expenditures of Federal Awards	14
Schedule of Findings and Questioned Costs	15



ARTHUR ANDERSEN

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
The Audubon Institute, Inc.:

We have audited the accompanying statement of financial position of The Audubon Institute, Inc., a Louisiana not-for-profit Corporation (the Institute), as of December 31, 2000, and the related statements of activities and cash flows for the year then ended. We have previously audited and reported on the financial statements of the Institute for the year ended December 31, 1999, which condensed statements are presented for comparative purposes only. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Institute as of December 31, 2000, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with Government Auditing Standards, we have also issued our report dated April 6, 2001 on our consideration of the Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

New Orleans, Louisiana
April 6, 2001

THE AUDUBON INSTITUTE, INC.

STATEMENT OF FINANCIAL POSITION

AS OF DECEMBER 31, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
ASSETS:		
Cash and cash equivalents	\$ 427,415	\$ 1,250,817
Accounts and grants receivable	200,769	435,531
Investments (Note 2)	22,735,874	22,924,724
Accrued interest receivable	7,538	64,863
Pledges receivable (Note 3)	8,870,471	9,120,929
Due from Audubon Commission (Note 6)	1,043,530	-
Prepays and other assets	246	2,770
Project design costs	646,660	196,668
Equipment less accumulated depreciation of \$63,034 in 2000 and \$34,000 in 1999	<u>70,203</u>	<u>95,950</u>
Total assets	<u>\$ 34,002,706</u>	<u>\$34,092,252</u>
LIABILITIES:		
Accounts payable	\$ 225,418	\$ 35,946
Accrued compensation	34,260	31,652
Due to Audubon Commission (Note 6)	-	639,919
Other	<u>-</u>	<u>20,457</u>
Total liabilities	<u>259,678</u>	<u>727,974</u>
NET ASSETS:		
Unrestricted, including Board designated	7,864,530	8,794,526
Temporarily restricted (Note 4)	10,345,961	9,443,033
Permanently restricted (Note 5)	<u>15,532,537</u>	<u>15,126,719</u>
Total net assets	<u>33,743,028</u>	<u>33,364,278</u>
Total liabilities and net assets	<u>\$ 34,002,706</u>	<u>\$34,092,252</u>

The accompanying notes are an integral part of these financial statements.

THE AUDUBON INSTITUTE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2000, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
				2000 1999
REVENUE AND OTHER SUPPORT:				
Government grants	\$ 599,584	\$ 102,466	\$ -	\$ 702,050
Gifts, exhibit/program sponsorships	268,087	4,050,069	7,000	4,325,156
Losses on securities, net	(797,276)	-	(89,340)	(886,616)
Investment income	23,227	-	915,558	938,785
Imputed interest on pledges	-	585,606	-	585,606
Fundraising activities	844,000	2,175	-	846,175
Net assets released from restrictions:				
Specific grants to the Audubon Commission for operations	(109,321)	(3,708,399)	-	(3,817,720)
support, education programs and capital projects (Note 6)				
Endowment income transferred to Audubon Commission	(99,996)	-	(427,400)	(527,396)
funds (Note 5)				
Total revenue and other support	728,305	1,031,917	405,818	2,166,040
				3,552,539
EXPENSES:				
Development and fundraising activities	1,517,118	-	-	1,517,118
Termite education grant	-	95,153	-	95,153
Interest	19,330	-	-	19,330
Investment expenses	121,853	-	-	121,853
Other expenses	-	33,836	-	33,836
Write down of project design costs	-	-	-	-
				750,614
Total expenses	1,658,301	128,989	-	1,787,290
CHANGE IN NET ASSETS				
Net assets, at beginning of year	(929,996)	902,928	405,818	378,750
Net assets, at end of year	8,794,526	9,443,033	15,126,719	33,364,278
	\$7,864,530	\$10,345,961	\$15,532,537	\$33,743,028
				\$33,364,278

The accompanying notes are an integral part of these financial statements.

THE AUDUBON INSTITUTE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2000,

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
				2000 1999
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets for the year	\$ (929,996)	\$ 902,928	\$ 405,818	\$ 987,364
Adjustments to reconcile to cash provided by operations:				
Realized (gains) losses on investments	337,097	-	-	(826,747)
Unrealized loss on investments	460,179	-	89,340	864,957
Receipt of stock gifts	(234,800)	-	-	(392,349)
Imputed interest on pledges	-	(585,606)	-	(315,472)
New pledges recorded	-	(2,009,645)	-	(3,166,517)
Provision for uncollected pledges	-	117,000	-	-
Depreciation	20,980	7,969	-	15,050
Write down of project design cost	-	-	-	750,614
Pledge payments	50,000	2,589,369	-	2,831,441
Grants receivable, due from Audubon Commission, and other assets	918,057	(1,171,818)	(495,158)	(57,454)
Accounts payable, due to Audubon Commission, and other liabilities	(467,781)	(515)	-	645,310
Net cash provided by (used in) operating activities	153,736	(150,318)	-	1,336,197
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment in museum project	(449,992)	-	-	(138,229)
Proceeds from sales or maturities of investments	12,673,847	150,318	-	24,135,868
Purchases of investments	(13,197,791)	-	-	(24,228,886)
Property additions	(3,202)	-	-	(20,403)
Net cash provided by (used in) investing activities	(977,138)	150,318	-	(251,650)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings under credit lines	2,300,000	-	-	1,250,000
Repayments under credit lines	(2,300,000)	-	-	(1,820,000)
Net cash used in financing activities	-	-	-	(570,000)
Net increase (decrease) in cash and cash equivalents	(823,402)	-	-	514,547
CASH AND CASH EQUIVALENTS, beginning of year	1,250,817	-	-	736,270
CASH AND CASH EQUIVALENTS, end of year	\$ 427,415	\$ -	\$ -	\$ 1,250,817

The accompanying notes are an integral part of these financial statements.

THE AUDUBON INSTITUTE, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2000

1. DESCRIPTION OF THE ORGANIZATION:

The Audubon Institute, Inc. (the "Institute") is a non-profit organization incorporated October 31, 1975. The Institute is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code. The Institute manages and operates the Audubon Commission (the "Commission") facilities located at the Audubon Zoo and Park, the Aquarium and Riverfront Park, the Species Survival Center and the Louisiana Nature Center (the Facilities) under contractual management agreements. Facility revenues and expenses (including salary expense) are recorded by each facility in accordance with these management agreements. The Facilities had combined operating revenues of \$23,512,000 for the year ended December 31, 2000 and combined total assets of \$140,149,000 at December 31, 2000.

The Institute obtains donations, gifts and grants, and conducts fundraising activities in furtherance of its exempt purpose. The revenues and net assets reflected in these financial statements are the result of these activities. Specific grants to the Audubon Commission consist of donations received and grants obtained by the Institute for operating support and capital improvements of the Facilities discussed above.

The Audubon Institute Foundation (the "Foundation"), a non-profit organization exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code, was incorporated February 8, 1991 to raise funds to support the education programs and other activities managed by the Institute. Since the Institute and the Foundation are related through common mission, board representation and common management, the accompanying financial statements include the accounts of the Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ended December 31, 1999, from which the summarized information was derived.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

The Institute reports gifts of cash and other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are

reclassified to unrestricted net assets or permanently restricted net assets. The permanently restricted classification is also referred to as an endowment fund. Earnings from these assets are periodically transferred to the Commission's operating funds.

Board designated net assets are unrestricted funds that are invested on a pooled basis with permanently restricted assets in accordance with Board approved plans. These funds are collectively invested as the Foundation's endowment fund. Board designated net assets totaled approximately \$7,204,000 and \$8,486,000 as of December 31, 2000 and 1999, respectively.

Pledges Receivable and Contributions Received

The Institute recognizes contributions received as revenues in the period received and as assets, decreases in liabilities or expenses depending on the form of benefits received. Pledges receivable are recorded net of an allowance for uncollectible pledges and at net present value. A discount factor of 6.5% is applied to scheduled future pledge payments.

Investments

Investments, as detailed below, are carried at fair value which was determined by reference to market information.

	<u>2000</u>	<u>1999</u>
Stocks	\$ 14,200,409	\$ 14,564,236
Fixed income	8,136,529	6,621,836
Money market accounts and investment cash	<u>398,936</u>	<u>1,738,652</u>
Total investments	<u>\$ 22,735,874</u>	<u>\$ 22,924,724</u>

Equipment

Equipment is capitalized at cost and depreciated using the straight-line method over a period of 5 years.

Statement of Cash Flows

For purposes of reporting cash flows, the Institute considers all investments and other short-term instruments with an original maturity of ninety days or less to be cash equivalents.

3. PLEDGES RECEIVABLE:

Unconditional promises of donors to make contributions to the Institute are included in the financial statements as pledges receivable and revenue of the temporarily restricted net asset class. Pledges are recorded after discounting future cash flows to the present value. Pledges receivable are expected to be realized in the following periods:

	<u>2000</u>	<u>1999</u>
In one year or less	\$ 2,946,037	\$ 3,147,288
Between one and five years	5,497,709	5,695,921
More than five years	<u>3,245,891</u>	<u>3,152,755</u>
	11,689,637	11,995,964
Less: discount	<u>(2,819,166)</u>	<u>(2,875,035)</u>
Pledges receivable	<u>\$ 8,870,471</u>	<u>\$ 9,120,929</u>

Pledges at December 31, 2000 and 1999 are presented net of an allowance for uncollectible pledges of \$500,000 and \$383,000, respectively.

Pledges receivable have the following restrictions:

	<u>2000</u>	<u>1999</u>
Specific capital projects	\$ 5,936,282	\$ 5,150,586
Education programs	91,201	209,292
Endowment for Audubon Membership	150,320	—
Endowment for Nature Center	769,476	822,203
Other endowment	—	186,934
Other, general capital and operating support	<u>1,923,192</u>	<u>2,751,914</u>
Pledges receivable	<u>\$ 8,870,471</u>	<u>\$ 9,120,929</u>

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of December 31, 2000 and 1999 are available for the following purposes or periods:

	<u>2000</u>	<u>1999</u>
Pledges receivable for periods after December 31, 2000 and 1999	\$7,900,673	\$8,011,792
Specific capital projects at Audubon Zoo and Park	1,137,291	354,558
Education programs at the Zoo, Aquarium and Nature Center	158,342	46,004
Operating support for the Nature Center	14,063	—
Operating support for the Zoo	80,500	—
Operating support for Species Survival Center and Audubon Institute Center for Research on Endangered Species (AICRES)	1,022,480	1,004,996
Other	<u>32,612</u>	<u>25,683</u>
Total temporarily restricted net assets	<u>\$10,345,961</u>	<u>\$9,443,033</u>

5. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets as of December 31, 2000 and 1999 must be invested in perpetuity, but the income from these investments is available to support the following:

<u>Description</u>	<u>Permanently Restricted Net Assets</u>		<u>Income Transferred to</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
Aquarium of the Americas and Riverfront Park	\$ 5,305,599	\$ 5,131,795	\$ —	\$ 249,582
Species Survival Center/AICRES	8,411,111	8,135,575	300,000	300,000
Audubon Zoo and Park	553,173	518,337	24,741	24,716
Louisiana Nature Center	1,112,334	1,154,077	57,659	46,934
Other	<u>150,320</u>	<u>186,935</u>	<u>45,000</u>	<u>17,231</u>
Total	<u>\$15,532,537</u>	<u>\$15,126,719</u>	<u>\$ 427,400</u>	<u>\$ 638,463</u>

6. RELATED PARTY TRANSACTIONS:

The Institute and the Commission are related through interaction of their Boards of Directors and mutual operation of the entities by the same management team. As a result, these entities often engage in operations through one organization that benefits the other organization to achieve economies of scale. One example of this is the use of common or central bank accounts. At December 31, 2000 and 1999, the Institute's receivables from and payables to the Commission are summarized as follows:

	<u>2000</u>	<u>1999</u>
Due from (to) Aquarium of Americas	<u>\$1,043,530</u>	<u>\$(639,919)</u>

Specific gifts and grants provided by the Institute to Commission facilities to pay operating expenses and fund certain capital projects for the years ended December 31, 2000 and 1999 are summarized below.

	<u>2000</u>	<u>1999</u>
Audubon Zoo and Park	\$ 1,762,309	\$ 1,226,092
Aquarium of the Americas and Riverfront Park	201,048	351,067
Species Survival Center/AICRES	1,651,050	1,998,066
Louisiana Nature Center	<u>203,313</u>	<u>209,912</u>
Total	<u>\$3,817,720</u>	<u>\$3,785,137</u>

7. EMPLOYEE BENEFIT PLAN:

The Institute has established a tax-deferred annuity plan for the benefit of all full-time employees. The plan provides for the purchase of annuities which qualify for tax deferral. Employees may participate on an optional basis by contributing between 2% and 15% of their salary, not to exceed \$10,500. The Institute matches employee contributions at a rate of 33%, up to 8% of base salary. Contributions are not subject to Federal income taxes and accumulate on a tax-deferred basis until withdrawn. The Institute's contributions amounted to approximately \$7,600 for 2000 and \$7,900 for 1999.

8. BANK LINES OF CREDIT:

The Institute has unsecured revolving lines of credit with three commercial banks for \$3,000,000, \$1,000,000 and \$1,000,000. Borrowings bear interest at the 30 day LIBOR plus 150 basis points. The revolving credit notes expire in 2001 at which time the credits will be renewed. The Institute does not believe there are any conditions that would change its ability to renew the notes. There were no amounts outstanding under these revolving lines of credit as of December 31, 2000 and 1999.

9. ENDOWED CHAIRS WITH THE UNIVERSITY OF NEW ORLEANS:

The Institute and the University of New Orleans have established four funded trusts to support four endowed chairs at the University. Under an affiliation agreement with the University, the chairholders will conduct research at the Audubon Institute Center for Research on Endangered Species (AICRES) and discharge academic responsibilities at the University. These trusts were funded by private donations totaling \$2,400,000 and \$1,600,000 in matching funds from the Louisiana Trust Fund for Eminent Scholars. This funding set up four \$1,000,000 chairs. The trust assets are not included as Audubon Institute assets. Audubon and the University jointly benefit from trust distributions that fund the chairholders' research and academic responsibilities. At December 31, 2000 senior scientists working at AICRES occupied three chairs. A search is underway for the fourth chairholder and is expected to be completed by September 2001.

10. CONTINGENCIES:

Certain claims and suits have been filed against the Commission. The majority of these claims are covered by insurance and, based on all available information and consultation with the Commission's legal counsel, management does not believe the ultimate resolution of these matters will have a significant effect on the Commission's financial position or results of operations.



ARTHUR ANDERSEN

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
The Audubon Institute, Inc.:

We have audited the financial statements of The Audubon Institute, Inc. (the "Institute"), as of and for the year ended December 31, 2000, and have issued our report thereon dated April 6, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Institute's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institute's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Arthur Andersen LLP

New Orleans, Louisiana,
April 6, 2001



ARTHUR ANDERSEN

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
The Audubon Institute, Inc.:

Compliance

We have audited the compliance of The Audubon Institute, Inc. (the "Institute") with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2000. The Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Institute's management. Our responsibility is to express an opinion on the Institute's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Institute's compliance with those requirements.

In our opinion, the Institute complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Institute's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Arthur Andersen LLP

New Orleans, Louisiana,
April 6, 2001

THE AUDUBON INSTITUTE, INC.

SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2000

<u>Federal Grantor or Pass-through Grantor and Program Title</u>	<u>Contract Number</u>	<u>Total Award</u>	<u>Receivable or Deferred Support as of December 31, 1999</u>	<u>Cash Received During the Year Ended December 31, 2000</u>	<u>Revenues Recorded During the Year Ended December 31, 2000</u>	<u>Expenditures Incurred During the Year Ended December 31, 2000</u>	<u>Receivable as of December 31, 2000</u>
U.S. Fish and Wildlife Service-Support Facilities for the Audubon Center for Research on Endangered Species/Insectarium	14-48-0010-95-013	\$ 7,749,695	\$ 390,038	\$ 563,629	\$ 178,695	\$ 178,695	\$ 5,104
Institute of Museum and Library Services - Nature Center	IG-00119-00	112,500	-	14,063	14,063	-	-
USDA Agricultural Research Services-Termite Education Grant	58-6435-8-113	250,000	44,783	66,254	88,403	88,403	66,932
U.S. Department of Housing and Urban Development - Insectarium	B-99-SP-LA-012	1,000,000	-	292,156	420,889	420,889	128,733
		<u>\$ 9,112,195</u>	<u>\$ 434,821</u>	<u>\$ 936,102</u>	<u>\$ 702,050</u>	<u>\$ 687,987</u>	<u>\$ 200,769</u>

THE AUDUBON INSTITUTE, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Institute and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Institute has met the qualifications for the respective grants.

Accrued Reimbursement

Various reimbursement procedures are used for federal awards received by the Institute. Consequently, timing differences between expenditures and program reimbursements exist at the beginning and end of the year.

Payments to Subrecipients

There were no payments to subrecipients for the year ended December 31, 2000.

Grant Contract Numbers

Federal CFDA Numbers are not available for the grants listed in the schedule of expenditures of federal awards. The identifying numbers presented are the contract numbers assigned by the respective federal agencies.

THE AUDUBON INSTITUTE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2000

Section I – Summary of Auditor's Results

Financial Statements

Type of report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14-48-0010-95-013	U.S. Fish and Wildlife Service - Support Facilities for the Audubon Center for Research on Endangered Species/Insectarium
B-99-SP-LA-0125	U. S. Department of Housing and Urban Development - Insectarium

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualify as a low-risk auditee	Yes

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.